



**CENTRAL INTELLIGENCE AGENCY**

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**TO:** Martin J. Greunberg  
Subcommittee on International Finance &  
Monetary Policy  
Senate Committee on Banking, Housing &  
Urban Affairs  
534 Dirksen Office Building

Attached is proposed language for the trade bill designed to ensure protection of classified information for those portions of the bill within your committee's jurisdiction. If you have any questions, please phone me on

18 March 1988

STAT

FORM  
2-86

**1533**

OBSOLETE  
PREVIOUS  
EDITIONS.

(40)

## Senate Trade Bill

### Title X

Sec. 1012(e) -- add: "In no case shall the Secretary be authorized to disclose classified intelligence information. If the Secretary makes a determination under this section based in whole or in part on classified intelligence information, he shall not publish such information in the Federal Register."

### Title XIV

Sec. 721(a) -- change to read as follows: "The Secretary of Commerce (hereafter in this section referred to as the 'Secretary') may, upon the request of the head of any Executive department, the Attorney General, or the United States Trade Representative, or upon the Secretary's own initiative, immediately make an appropriate investigation to determine the effects on national security or on essential commerce which affects national security, of mergers, acquisitions, and takeovers commenced or made on or after June 4, 1987, by or with foreign persons which involve persons engaged in interstate commerce in the United States and of efforts by or with foreign persons to gain control of persons engaged in interstate commerce in the United States. For the purposes of this section, 'control' means the possession, direct or indirect, or the power to direct or cause the direction of the management or policies of a person, whether through ownership or otherwise. The provisions of this section shall not apply to transactions where the board of directors of the acquired company has agreed to the merger, acquisition, or takeover on or before June 4, 1987.

[Note: President has no power to prevent a fait accompli, i.e. appears to be powerless in the event the Secretary's investigation occurs after the consummation of a business deal. Also, various types of influence are not necessarily manifested in a public forum, which makes it difficult for the Secretary to initiate an investigation prior to the completion of various business activities.]